United Nations A/53/779

General Assembly

Distr.: General
5 January 1999

Original: English

Fifty-third session
Agenda item 122 (a)
Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1997 to 30 June 1998. The General Assembly, by its resolution 51/232 of 13 June 1997, appropriated an amount of $33,616,400 gross ($32,714,400 net) for the maintenance of UNDOF for the same period.

Expenditures for the period totalled $32,531,100 gross ($31,826,800 net), resulting in an unencumbered balance of $1,085,300 ($887,600 net).

The unencumbered balance for the period is attributable mainly to the devaluation of local currency and reduced procurement of equipment and supplies because of the availability of some of those items at the United Nations Logistics Base at Brindisi, Italy.

The action to be taken by the General Assembly in connection with the financing of the Observer Force is a decision on the treatment of the unencumbered balance of $1,085,300 gross ($887,600 net) for the period from 1 July 1997 to 30 June 1998 (see para. 11 of the report).

99-00244 (E) 090299

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I. Introduction

1. The United Nations Disengagement Observer Force (UNDOF) was established for an initial period of six months by the Security Council in its resolution 350 (1974) of 31 May 1974. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1211 (1998) of 25 November 1998, by which the mandate of the Force was extended until 31 May 1999.

2. The budget for the maintenance of UNDOF for the period from 1 July 1997 to 30 June 1998 was set out in the report of the Secretary-General dated 21 February 1997 (A/51/405/Add.2), and amounted to $32,368,000 gross ($31,466,000 net).

3. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see A/51/684/Add.1, para. 30), the General Assembly, by its resolution 51/232 of 13 June 1997, appropriated an amount of $33,616,400 gross ($32,714,400 net) for the maintenance of UNDOF for the period from 1 July 1997 to 30 June 1998, inclusive of $1,248,400 for the support account for peacekeeping operations. This amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNDOF and on the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 16 May 1997 (S/1997/372), 14 November 1997 (S/1997/884) and 14 May 1998 (S/1998/391).

5. During the period covered by the present performance report, from 1 July 1997 to 30 June 1998, UNDOF continued with its mandate, which requires UNDOF to maintain the ceasefire, to see that it is scrupulously observed and to supervise the agreement and protocol with regard to the areas of separation and limitation.

6. During the performance period, savings due to lower purchase costs for vehicles as a result of volume discounts obtained through vehicle contracts were redeployed to fund unbudgeted requirements for improving shelters at two positions, the acquisition of an additional, urgently required telephone exchange and the cost of conversion from military pattern to civilian pattern radios.

7. Funds were also realigned to cover the cost of kitchen and mess equipment and accommodation equipment for the new international dining hall in order to maintain safe and hygienic conditions and for contingent requirements. Savings under the generators account became apparent after ex-mission stock was acquired from the United Nations Logistics Base at Brindisi.

8. Savings under the local salaries account, which was due to more favourable exchange rates and lower than anticipated retroactive salary increases, were utilized to fund the mission's share of financing the United Nations Logistics Base at Brindisi.

III. Financial performance report for the period from 1 July 1997 to 30 June 1998

9. As indicated in table 1 below, from the appropriation of $33,616,400 gross ($32,714,400 net) for the period from 1 July 1997 to 30 June 1998, expenditures amounted

to $32,531,100 gross ($31,826,800 net), inclusive of $14,517,600 in unliquidated obligations. The resulting unencumbered balance of $1,085,300 gross ($887,600 net) represents, in gross terms, approximately 3.2 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget groups

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*	*Variance*
Military personnel costs	18 437.0	18 321.0	116.0
Civilian personnel costs	5 586.0	5 141.0	445.0
Operational costs	7 457.0	6 671.8	785.2
Other programmes	—	—	—
United Nations Logistics Base at Brindisi	—	458.6	(458.6)
Support account for peacekeeping operations	1 248.4	1 248.4	—
Staff assessment	888.0	690.3	197.7
Total	**33 616.4**	**32 531.1**	**1 085.3**
Staff assessment	(888.0)	(690.3)	(197.7)
Other income	(14.0)	(14.0)	—
Voluntary contributions in kind (budgeted)	—	—	—
Net requirements	**32 714.4**	**31 826.8**	**887.6**
Voluntary contributions in kind (non-budgeted)	—	—	—
Total resources	**32 714.4**	**31 826.8**	**887.6**

10. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 2 below and in annexes II and III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1997 to 31 June 1998

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	—	—	—
Military contingents	1 036	1 040	-0 3
Civilian police	—	—	—
International staff	36	32	11 2
Local staff	84	82	2 4
United Nations Volunteers	—	—	—

IV. Action to be taken by the General Assembly at its fifty-third session

11. The action to be taken by the General Assembly in connection with the financing of UNDOF is to decide on the treatment of the unencumbered balance of $1,085,300 gross ($887,600 net) for the period from 1 July 1997 to 30 June 1998.

Annex I

Financial performance report for the period from 1 July 1997 to 30 June 1998: summary statement

(Thousands of United States dollars)

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	*Non-recurrent expenditures*	*Total expenditures (inclusive of non-recurrent expenditures)*	*Variance*
I. Military personnel costs				
1. Military observers	-	-	-	-
2. Military contingents	17 716.0	-	17 600.0	116.0
3. Other costs pertaining to military personnel				
(a) Contingent-owned equipment	421.0	421.0	421.0	-
(b) Death and disability compensation	300.0	300.0	300.0	-
Subtotal, line 3	721.0	721.0	721.0	-
Total, category I	**18 437.0**	**721.0**	**18 321.0**	**116.0**
II. Civilian personnel costs				
1. Civilian police	-	-	-	-
2. International and local staff	5 586.0	5 141.0	5 141.0	445.0
3. International contractual personnel	-	-	-	-
4. United Nations Volunteers	-	-	-	-
5. Government-provided personnel	-	-	-	-
6. Civilian electoral observers	-	-	-	-
Total, category II	**5 586.0**	**5 141.0**	**5 141.0**	**445.0**
III. Operational costs				
1. Premises/accommodation	1 293.0	491.5	1 404.2	(111.2)
2. Infrastructure repairs	-	-	-	-
3. Transport operations	3 526.0	947.6	2 627.0	899.0
4. Air operations	-	-	-	-
5. Naval operations	-	-	-	-
6. Communications	560.0	321.1	534.3	25.7
7. Other equipment	607.0	657.5	657.5	(50.5)
8. Supplies and services	1 311.0	-	1 257.1	53.9
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	160.0	-	191.7	(31.7)
Subtotal, line 9	**160.0**	**-**	**191.7**	**(31.7)**
Total, category III	**7 457.0**	**2 417.7**	**6 671.8**	**785.2**

	(1)	(2)	(3)	(4) = (1-3)
	Apportionment	Non-recurrent expenditures	Total expenditures (inclusive of non-recurrent expenditures)	Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	-	-	-	-
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	-	-	-	-
V. United Nations Logistics Base at Brindisi	-	458.6	458.6	(458.6)
VI. Support account for peacekeeping operations	1 248.4	-	1 248.4	-
VII. Staff assessment	888.0	-	690.3	197.7
Total, categories I - VII	**33 616.4**	**8 738.3**	**32 531.1**	**1 085.3**
VIII. Income				
Staff assessment	(888.0)	-	(690.3)	(197.7)
Other income	(14.0)	-	(14.0)	-
Total, category VIII	**(902.0)**	**-**	**(704.3)**	**(197.7)**
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
Total, categories VIII - IX	**(902.0)**	**-**	**(704.3)**	**(197.7)**
Gross requirements	33 616.4	8 738.3	32 531.1	1 085.3
Net requirements	32 714.4	8 738.3	31 826.8	887.6
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total resources	**32 714.4**	**8 738.3**	**31 826.8**	**887.6**

Annex II

Supplementary information on significant variances

Military personnel costs

Apportionment: $18,437,000; expenditure: $18,321,000; variance: $116,000

1. The unutilized balance under this heading is the net result of reduced requirements under (a) rations, owing to devaluation of the Syrian pound, and (b) travel subsistence allowance, owing to less need for travel to pick up incoming shipments as a result of a new door-to-door delivery contract, offset by additional requirements under rotation of troops due to usage of commercial rather than charter flights for rotation of the small contingent.

Civilian personnel costs

Apportionment: $5,586,000; expenditure: $5,141,000; variance: $445,000

2. The net unutilized balance of $445,000 under this heading was the result of several factors. On the one hand, savings were realized as a result of an average monthly vacancy rate of 11.2 per cent and 2.4 per cent for international and local staff respectively; the impact of the devaluation of the local currency on local staff salary and general temporary assistance requirements; and the non-utilization of overtime resources. On the other hand, such savings were offset in part by additional requirements arising from erroneous payroll charges of UNDOF staff on temporary assignment to other duty stations and additional requirements for travel of headquarters staff.

Operational costs

Apportionment: $7,457,000; expenditure: $6,671,800; variance: $785,200

3. The net unutilized balance of $785,200 under this heading resulted from reduced requirements under transport operations ($899,000), communications ($25,700) and supplies and services ($53,900), which were offset in part by additional requirements under premises/accommodation ($111,200), other equipment ($50,500) and air and surface freight ($31,700).

Premises/accommodation

Apportionment: $1,293,000; expenditure: $1,404,200; variance: ($111,200)

4. The net additional requirement of $111,200 resulted from recording charges under the utilities budget line relating to the changeover from UNDOF generators to electricity supplied by the Government of Syria to Camp Faouar at a lower cost and the funding of some unbudgeted construction projects for the improvement of shelters at position 27 and the shelter at Mt. Hermon base.

Transport operations

Apportionment: $3,526,000; expenditure: $2,627,000; variance: $899,000

5. The net unutilized balance of $899,000 under this heading was largely due to savings on vehicle purchases realized through volume discounts obtained from existing contracts

($449,700); devaluation of the local currency and lower usage of diesel fuel due to the switch from generators to government-provided electricity at Camp Faouar ($495,000); and lower prices for spare parts owing to the devaluation of the local currency. This was offset in part by additional requirements under vehicle insurance owing to a sharp increase in the cost of premiums as a result of past experience with loss of vehicles, as well as the recording during the reporting period of the fourth premium instalment pertaining to the prior period as a result of a delay in the processing of invoices ($217,000).

Communications

Apportionment: $560,000; expenditure: $534,300; variance: $25,700

6. The net unutilized balance of $25,700 under this heading was derived largely from the postponement of acquisitions of spare parts for repairs and maintenance of communication equipment ($99,400), offset in part by additional requirements arising from the unbudgeted replacement of a PABX telephone exchange and the actual cost experience of official telephone calls made in the mission area via the PABX system to New York.

Other equipment

Apportionment: $607,000; expenditure: $657,500; variance: ($50,500)

7. The shortfall of $50,500 under this heading was due to the need to fund unbudgeted acquisition and replacement of kitchen and mess equipment for the new international dining hall in order to maintain safe and hygienic conditions. This additional requirement was offset in part by savings related to purchase of generators, since the mission was able to obtain some ex-mission generators from the United Nations Logistics Base at Brindisi, Italy.

Supplies and services

Apportionment: $1,311,000; expenditure: $1,257,100; variance: $53,900

8. The net unutilized balance of $53,900 under this heading resulted from reduced requirements for medical supplies, quartermaster and general stores owing to the availability of such items at other peacekeeping missions and the devaluation of the local currency, offset by additional requirements under the provision for external audit, the unbudgeted settlement of a government claim for the loss of personal effects of a contingent member and losses on exchange transactions resulting from payments made in currencies other than the Syrian pound.

Air and surface freight

Apportionment: $160,000; expenditure: $191,700; variance: ($31,700)

9. The net additional requirement of $31,700 under this heading was attributable to the cost of unbudgeted shipments and charges in connection with the receipt of ex-mission stocks and equipment from the United Nations Logistics Base at Brindisi.

United Nations Logistics Base at Brindisi

Apportionment: none; expenditure: $458,600; variance: ($458,600)

10. The expenditure of $458,600 represents the prorated share of UNDOF for the cost of maintaining the United Nations Logistics Base at Brindisi for the reporting period, based on General Assembly resolution 52/1 A of 15 October 1997.

Staff assessment

Apportionment: $888,000; expenditure: $690,300; variance: $197,700

11. The net unutilized balance of $197,700 was due to lower than planned deployment of personnel.

Income from staff assessment

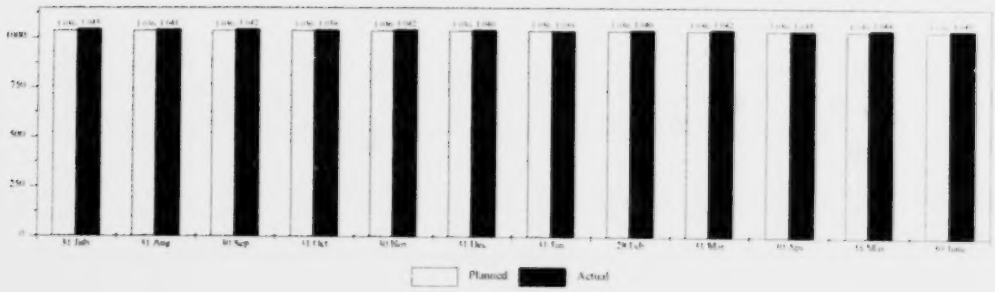
12. This answer is derived from staff assessment (see para. 11 above).

Annex III

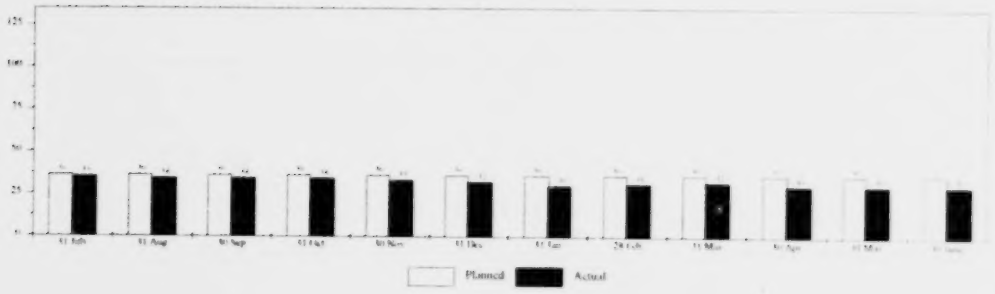
Planned and actual deployment of civilian and military personnel for the period from 1 July 1997 to 30 June 1998

	Deployment as at											
	31 July	*31 August*	*30 Sep*	*31 Oct*	*30 Nov*	*31 Dec*	*31 Jan*	*28 Feb*	*31 March*	*30 April*	*31 May*	*30 June*
Military contingents												
Planned	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036	1 036
Actual	1 043	1 041	1 042	1 039	1 042	1 040	1 035	1 040	1 042	1 037	1 044	1 043
Difference	(7)	(5)	(6)	(3)	(6)	(4)	1	(4)	(6)	(1)	(8)	(7)
International staff												
Planned	36	36	36	36	36	36	36	36	36	36	36	36
Actual	35	34	34	34	33	32	30	31	32	30	30	30
Difference	1	2	2	2	3	4	6	5	4	6	6	6
Local staff												
Planned	84	84	84	84	84	84	84	84	84	84	84	84
Actual	84	84	83	82	82	81	83	81	81	81	83	82
Difference	-	-	1	2	2	3	1	3	3	3	1	2

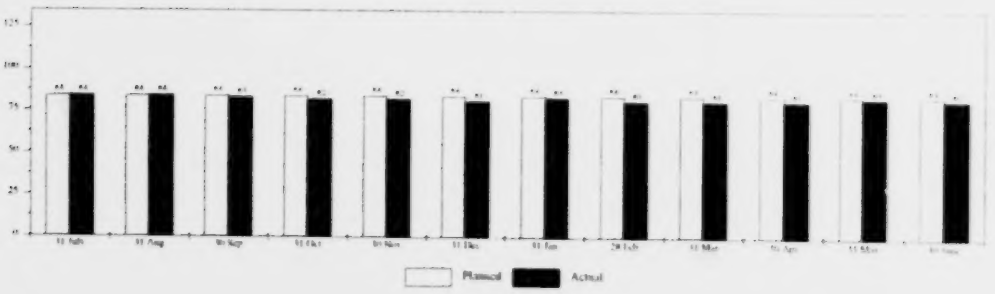
1. Military contingents



2. International civilian staff



3. Local civilian staff



Annex IV

Apportionment and expenditures for the period from 1 July 1997 to 30 June 1998